

TOWN OF FORGAN
BEAVER COUNTY, OKLAHOMA
ACCOUNTANT'S REPORT
FISCAL YEAR ENDED
JUNE 30, 2021

WILLIAM K. GAUER
CERTIFIED PUBLIC ACCOUNTANT
WATONGA, OKLAHOMA

Town of Forgan
Town Officers and Trustees

Gina Walsh
Jonathan Moore
Shane Kirkhart
Brian Steers
Mario Jaquez

Beverly Hall
Julie Lemieux

Mayor
Vice-Mayor
Trustee
Trustee
Trustee

Clerk
Treasurer

CONTENTS

Exhibit

Trustees and Officers

Contents

Accountant's report

Town:

Summary of Changes in Fund Balances-Cash Basis

A

Budgetary Comparison Schedule General Fund – Cash Basis

B

Statement of Revenues, Expenses and
Changes in Fund Balance-Cash Basis

C

WILLIAM K. GAUER
CERTIFIED PUBLIC ACCOUNTANT

121 S. NOBLE AVE. – P. O. BOX 181
PHONE 580-623-5071

WATONGA, OKLAHOMA 73772
FAX 580-623-5072

WGAUER@GAUERCPA.MYGBIZ.COM

Independent Accountant's Report

To the Specified Users of the Report:

Town Board, Town of Forgan
Forgan, Oklahoma

Trustees of the Forgan Public Works Authority
Forgan, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Report on Applying Agreed-Upon Procedures

I have performed the procedures enumerated below which were agreed to by the specified users of the report as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town and Utility Authority in meeting its financial accountability requirements as prescribed by applicable Oklahoma law and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2021. Management of the Town of Forgan and the Forgan Public Works Authority are responsible for the Town's and Authority's financial accountability and its compliance with those legal and contractual requirements. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants to meet the requirements prescribed in Oklahoma Statutes §11-17.105-.107 and §60-180.1-.3. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and Findings

As to the **Town of Forgan** as of and for the fiscal year ended June 30, 2021:

1. Procedures Performed: From the Town's trial balances, we prepared a schedule of changes in fund balances for each fund (see accompanying Exhibit A) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

A Professional Services Firm
American Institute of CPAs / Oklahoma Society of CPAs

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES THAT INCLUDES AN ACCOUNTANT'S COMPILATION REPORT ON
ACCOMPANYING FINANCIAL STATEMENTS COMPILED BY THE ACCOUNTANT
(Continued)**

Town of Forgan and Public Trust
Page

Findings: None

2. Procedures Performed: From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund (see accompanying Exhibit B) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings: None

3. Procedures Performed: We agreed the Town's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: None

4. Procedures Performed: We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: None

5. Procedures Performed: We compared use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: None

6. Procedures Performed: We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: None

7. Procedures Performed: We compared the Town's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: None

As to the **Forgan Public Works Authority**, as of and for the fiscal year ended June 30, 2021:

1. Procedures Performed: From the Authority's trial balances, we prepared a schedule of revenues, expenditures/expenses and changes in fund balances/net assets for each fund (see accompanying Exhibit

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
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(Continued)**

Town of Forgan and Public Trust
Page

C) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

Findings: None

2. Procedures Performed: We agreed the Authority's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: None

3. Procedures Performed: We compared the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: None

4. Procedures Performed: We compared the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings:

5. Procedures Performed: We compared the accounting for the Authority's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: None

6. Procedures Performed: We compared the Authority's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: None

As to the **Town of Forgan and Public Works Grant Programs**, as of and for the fiscal year ended June 30, 2021:

1. Procedures Performed: From the Town and Authority's trial balances, we prepared a schedule of grant activity for each grant/contract (No Activity) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

Findings: None

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES THAT INCLUDES AN ACCOUNTANT'S COMPILATION REPORT ON
ACCOMPANYING FINANCIAL STATEMENTS COMPILED BY THE ACCOUNTANT
(Continued)**

Town of Forgan and Public Trust
Page

I was not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance and an opinion on the related financial statements and schedules. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This Report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.


October 28, 2022

Exhibit A
Town of Forgan
Summary of Changes in Fund Balances--Cash Basis
For the Fiscal Year Ended June 30, 2021

	Beginning of Year Fund Balances	Additions	Deletions	End of Year Fund Balances
TOWN:				
General Fund:				
Checking	\$ 144,261	\$ 284,591	\$ 243,426	185,425
Certificate of Deposit	15,387	197	-	15,584
	<u>168,028</u>	<u>284,788</u>	<u>243,426</u>	<u>201,009</u>
Fire Equipment Fund	11,694	12,275	14,956	9,013
Meter Fund	17,187	3,050	300	19,937
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Pooled Account	192,806	300,113	258,683	229,959
Grant Fund #1	-	-	-	-
Grant Fund #2	1	14	-	15
Town Subtotal	192,807	300,127	258,683	229,974
Public Trust:				
PWA Checking	169,509	194,145	155,709	207,945
PWA Reserve FmHA 1990	17,330	224	-	17,554
Savings Fund	918	-	-	918
PWA Subtotal	160,068	194,369	155,709	226,417
Overall Totals	\$ 352,874	\$ 494,496	\$ 414,392	456,391
Informational Purposes Only:				
Public Works Authority Debt:				
First Security Bank (Gator)	\$ 25,294	\$ 25,294	\$ -	-
2011 Backhoe	28,457	4,168	1,350	25,639
USDA Loan 91-02 (\$82,900)	45,891	6,348	3,167	42,710
	<u>\$ 99,642</u>	<u>\$ 35,810</u>	<u>\$ 4,517</u>	<u>\$ 68,349</u>

Exhibit B
Town of Forgan
 Budgetary Comparison Schedule General Fund - Cash Basis
 For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 161,098	\$ 161,098	\$ 168,028	\$ 6,930
Resources (Inflows):				
Taxes:				
Sales Tax	29,904	29,904	36,036	6,132
Franchise Tax	14,193	14,193	10,369	(3,824)
Use Tax	23,927	23,927	33,072	9,145
Tobacco Tax	295	295	341	46
Total Taxes	68,318	68,318	79,817	11,499
Intergovernmental:				
Motor Vehicle Tax	3,288	3,288	3,800	513
Alcoholic Beverage Tax	65,449	65,449	81,981	16,532
Gas Excise Tax	1,177	1,177	534	(643)
Grants	-	-	-	-
Investment Income	546	546	501	(45)
Miscellaneous Income				
Rents	270	270	1,650	1,380
Royalties	5,495	5,495	8,509	3,014
Occupational Licenses	5	5	25	21
Trash Collections	46,017	46,017	49,984	3,967
Dog Fines	162	162	230	68
Miscellaneous	2,747	2,747	4,487	1,739
Other Financing Sources:				
Transfer from Other Funds	51,897	51,897	52,904	1,008
Amounts available for appropriations	406,468	406,468	452,450	45,982
General Government:				
Personal Services	120,000	120,000	104,953	(15,047)
Maintenance and Operations	200,000	200,000	132,723	(67,277)
Capital Outlay	60,017	45,017	5,751	(39,266)
	380,017	365,017	243,426	(121,590)
Police Department:				
Personal Services	-	-	-	-
Maintenance and Operations	10,000	10,000	-	(10,000)
Capital Outlay	-	-	-	-
	10,000	10,000	-	(10,000)
Other Financing Sources:				
Transfers to other funds	15,000	15,000	8,014	(6,986)
Total Charges to Appropriations	405,017	390,017	251,441	138,576
Ending Budgetary Fund Balance	1,450.86	\$ 16,451	\$ 201,009	\$ (92,594)

Town of Forgan
Forgan Public Works Authority
Exhibit C
Statement of Activities-Cash Basis
For the Fiscal Year Ended June 30, 2021

Revenues	Budgeted Amounts		Actual Amounts	Final Budget Positive (Negative)
	Original	Final		
Water Revenue	\$ 143,400	\$ 143,400	\$ 135,309	
Sewer Revenue	53,000	53,000	52,013	
Penalty	3,700	3,700	3,338	
Reconnect Fees	2,500	2,500	2,475	
Lagoon Fees	75	75	25	
Meter Tampering Fee	-	-	-	
Miscellaneous	200	200	473	
Total revenues	202,875	202,875	193,632	(9,243)
Expenditures				
Utility Authority:				
Personnell Service	63,700	63,700	47,105	16,595
Maintenance & Operation:				
Utilities	28,800	28,800	26,491	2,309
Gasoline, Oil, and Fuel	4,400	4,400	1,625	2,775
Repairs & Maintenance	19,200	19,200	20,441	(1,241)
Supplies	30,000	30,000	9,270	20,730
Chlorine and Chemical	1,500	1,500	2,721	(1,221)
Office Supplies	3,900	3,900	5,341	(1,441)
OWRB Dues	2,400	2,400	-	2,400
DEQ Dues & Fees	3,600	3,600	4,771	(1,171)
MISCELLANEOUS Expense	2,000	2,000	373	1,627
Contract Services				
Water Lease Payments	13,025	13,025	14,759	(1,734)
Other Bonds and Insurance	13,000	13,000	11,439	1,562
Professional Fees	4,000	4,000	858	3,143
Total expenditures	189,525	189,525	145,193	44,332
Operating Income	13,350	13,350	48,438	(53,575)
Other Income:				
Interest Income	300	300	514	(214)
Debt Service	(13,650)	(13,650)	(10,516)	3,134
Transfers In from Other Funds	-	-	-	-
Transfers Out to Other Funds	-	-	-	-
	(13,350)	(13,350)	(10,003)	2,920
Increase in Net Assets	0	0	38,436	38,436
Beginning net assets	-	-	119,632	119,632
Ending net assets	\$ -	\$ -	\$ 158,067	\$ 158,067